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Mr Steve McHardy  
Principal Engineer  
IPART NSW  
PO Box K35  
Sydney NSW 2000

Dear Mr McHardy,

### **Audit Guidelines – Draft Update: Safety Management System**

Thankyou for the opportunity to provide feedback on IPART's Audit Guidelines – Draft updates for the Safety Management System section. Ausgrid supports the Draft Audit Guideline proposals as the changes proposed by IPART provide clear references to the requirements of the Electricity Supply (Safety and Network Management) Regulation 2014 (the Regulation) and AS5577 Electricity Network Safety Management Systems.

Ausgrid offers the following feedback within the responses below.

#### **Section 2.2**

- The Draft Guidelines refers to customer installation safety being included in the scope of an SMS audit. Recent changes to the Regulation under the Electricity Supply Amendment (Advanced Meters) Bill 2016 omit the requirement for a SMS to deal with customer installation safety. To maintain consistency with the requirements of the Regulation, references to customer installation safety should be removed from the final version of the Audit Guidelines.

#### **Section 2.4.1**

*Paragraph 4, Bullet Point 3:*

- Consideration should be given to changing 'All available options' to be more specific to the context. An alternative could be '*Information that is known or ought to be known about the ways to eliminate or reduce the risk*' (or words to that effect).
- The reference to 'hazard control' should be changed to 'risk control'.

- A reference is made to the 'hierarchy of controls' - does IPART have a particular source or reference in mind - if so consider including a source reference.

*Paragraph 4, Bullet Point 5:*

- Consider if the reference to 'hazards' should be 'risks'. Further, consider an amendment to the reference 'impact a control' to 'impact a *proposed risk* control'.

*Paragraph 4, Bullet Point 6:*

- Consider amending the reference of 'chosen control' to 'proposed control' - at this point a decision is yet to be made about the control to be implemented.
- The reference to the financial analysis is very broad and goes beyond the proposed context of the analysis from a risk control perspective. Consideration should be given to clarifying. A suggested amendment could be '*costs associated with available ways of eliminating or reducing the risk, including whether the cost is grossly disproportionate to the risk*'. Some further context could be provided with the following - *the costs of implementing a particular control measure may include costs of purchase, installation, maintenance and operation - including any impact as a result of the introduction of the cost measure. This may also include the costs associated with any savings from implementing a control measure.*

*Paragraph 5 (page 5):*

- Reference is made to 'significant hazards'. Is this a term that will be defined?
- Reference is made to controls being 'grossly disproportionate'. Should this be a reference to '*costs associated with proposed risk controls being grossly disproportionate to the risk*'?

*Paragraph 6:*

- Reference is made to ongoing review of 'hazards and controls'. Consider amending to 'hazards and risk controls'.

**Appendix B:**

*Table A:*

- Section 4(b) - The statement is made to a document to be prepared with reference to Appendix C - but then states Appendix C is to be informative. This creates a lack of clarity about whether Appendix C is intended to be a compliance basis or guidance basis for this document.
- Section 5 - A network operator can only identify those hazards that are 'reasonably foreseeable'. In this context, consider including these words in this section - i.e. 'The FSA

has identified reasonably foreseeable electricity network hazards. There are a number of subsequent references in this section where these words could be added.

- Section 7(b) - Reference is made to recognised good practice being 'identified and applied in the development of risk treatment options'. Given it may not be 'applied' in every instance (and this is contemplated in Sections 7(c) and 7(d)) this phrase should be amended to be 'identified and considered'.
- Should Section 7 include consideration of the impact of proposed control measures on the effectiveness of other control measures and operations? Is this intended by Section 7(e) - if so it may need to be more specific?
- Section 7(i) - the reference to 31000 should have 'ISO' inserted at the front.

#### **Further Enquiries**

I trust that these responses provide an adequate level of feedback. Should you have any questions concerning this matter please contact me on [REDACTED] or email [REDACTED].

Yours sincerely,

[REDACTED]

David Wilkinson

Head of Asset Engineering, Policy and Standards